

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Lottery Law is amended by adding
5 Sections 7.12, 7.13, 7.14, and 27.5 as follows:

6 (20 ILCS 1605/7.12 new)

7 Sec. 7.12. Internet Lottery game program.

8 (a) The Department shall establish and maintain an Internet
9 lottery game program that allows an eligible person to purchase
10 lottery tickets through the Internet through the services of a
11 private Internet agent. The Department must propose rules to
12 the General Assembly necessary for the administration of this
13 program. The provisions of this Section and the proposed rules
14 adopted under this Section apply to the sale of lottery tickets
15 under this program.

16 (b) The Department shall select a private Internet agent
17 under the standards and qualifications described in Section
18 7.13 to operate the real-time and secure payment option system
19 that may be used for the purposes of this program.

20 (c) All non-scratch-ticket Lottery games offered by the
21 Department shall be offered to Internet players, and additional
22 lottery games may be offered through the electronic
23 distribution.

1 (d) A person who purchases a ticket through the program
2 shall be notified electronically of their prize winnings. A
3 prize in an amount less than \$600 must be deposited directly
4 into the winner's bank account. The payment of a prize in an
5 amount of \$600 or more may be made only by the Director.

6 (e) The Department's proposed rules must include a
7 determination of which games may be played online and shall
8 limit the persons authorized to purchase tickets online to only
9 eligible residents of this State in compliance with the federal
10 Unlawful Internet Gambling Enforcement Act of 2006.

11 (f) The Department shall, in compliance with the federal
12 Unlawful Internet Gambling Enforcement Act of 2006, establish a
13 procedure to verify that a person is 18 years of age or older
14 before he or she may establish an online lottery account and
15 purchase lottery tickets through the Internet program. The
16 Department's proposed rules must adopt standards to prevent the
17 unauthorized use of online lottery accounts.

18 (g) The Department's proposed rules may establish a
19 limitation on monthly purchases that may be made through any
20 individual lottery account.

21 (20 ILCS 1605/7.13 new)

22 Sec. 7.13. Operation of the Internet game program.

23 (a) The Department shall enter into a contract with a
24 private Internet agent to sell lottery tickets through the
25 Internet through the services of a private Internet agent. In

1 addition to any other reasonable qualifications required by the
2 Department, the private Internet agent must:

3 (1) demonstrate extensive experience in handling
4 secure Internet financial transactions on a real time
5 basis;

6 (2) possess the ability to maintain an Internet site in
7 compliance with the best industry standards with respect to
8 security and the protection of personal information;

9 (3) possess a demonstrable ability to create and
10 maintain an Internet site and subsites with a high volume
11 of use and meet or exceed electronic security standards
12 within the electronic payment or transfer industry such as
13 a SAS 70 Type II review; and

14 (4) submit to the Department a history of financial
15 accountability and comply with generally accepted
16 accounting principles.

17 (b) The private Internet agent, with the cooperation and
18 approval of the Department, must establish procedures to
19 establish accounts and unique identification numbers for each
20 player using the Internet and to verify the age, address, and
21 payment method of each of those players.

22 (c) The private Internet agent is entitled to earn and
23 collect a reasonable transaction fee that is paid by the player
24 who establishes and plays through an online account, and the
25 private Internet agent is also entitled to the winning bonus
26 for selling a winning ticket as approved and set under the Act.

1 (d) The private Internet agent must deliver to the
2 Department all moneys collected through the Internet
3 transactions within 48 hours after their receipt. The private
4 Internet agent must deliver to the Department records of all
5 sales transactions from which those moneys were collected on a
6 real time basis or as required by the Department. The private
7 Internet agent may deduct its fees before delivering the funds
8 to the Department.

9 (20 ILCS 1605/7.14 new)

10 Sec. 7.14. Creation of Internet Lottery accounts.

11 (a) Any person who is eligible to participate in the
12 Internet Lottery game program may create a secure individual
13 lottery account that is accessible through the Internet or by
14 other secure electronic means. In order to establish an
15 individual lottery account, a person must apply to the
16 Department.

17 An applicant that applies in person must present a valid
18 Illinois driver's license with current address or an official
19 State-issued identification card. The Department shall verify
20 that the person is 18 years of age or older. The person must be
21 issued an application form in person, to be approved by the
22 Department or its approved private Internet agent, containing
23 the applicant's name, address, age, driver's license number, or
24 the number of an official state approved identification card;
25 an email address and the applicant's last 4 digits of his or

1 her social security number as well as other information that
2 may be required by the Department or the private Internet
3 agent.

4 An applicant may also establish an individual lottery
5 account by registering online through an approved Illinois
6 Lottery website and filling out the electronic application form
7 via the Internet. The application shall be approved by the
8 Department or its approved private Internet agent, containing
9 the applicant's name, address, age, driver's license number, or
10 the number of an official state-approved identification card,
11 an e-mail address, and the applicant's last 4 digits of his or
12 her social security number. The private Internet agent shall
13 verify the person's name, age, address, and driver's license or
14 identification card number pursuant to the procedures set forth
15 in the rules adopted by the Department, subject to Section
16 27.5. Any such procedures that involve the use of information
17 maintained by the Secretary of State must be approved by the
18 Secretary of State.

19 (b) The individual lottery account may not be activated
20 until the person goes online and follows the activation and
21 funding procedure to be established by the Department. Each new
22 account holder must be issued electronically a unique
23 individual lottery access number that will prevent others from
24 accessing his or her individual lottery account.

25 (c) The Department is authorized and directed to devise a
26 method pursuant to which a person who has activated and funded

1 an individual lottery account is allowed to purchase lottery
2 tickets or shares by using public or private computer terminals
3 or other electronic devices or means.

4 (20 ILCS 1605/27.5 new)

5 Sec. 27.5. No rulemaking authority. Notwithstanding any
6 other provision of this Act or any other rulemaking authority
7 that may exist, on and after the effective date of this
8 amendatory Act of the 95th General Assembly, neither the
9 Governor nor any agency or agency head under the jurisdiction
10 of the Governor has any authority to make or promulgate rules
11 to implement or enforce the provisions of this Act. If,
12 however, the Department believes that rules are necessary to
13 implement or enforce the provisions of this Act, the Department
14 may suggest rules to the General Assembly by filing them with
15 the Clerk of the House and Secretary of the Senate and by
16 requesting that the General Assembly authorize such rulemaking
17 by law, enact those suggested rules into law, or take any other
18 appropriate action in the General Assembly's discretion.
19 Nothing contained in this Act shall be interpreted to grant
20 rulemaking authority under any other Illinois statute where
21 such authority is not otherwise explicitly given. For the
22 purposes of this Act, "rules" is given the meaning contained in
23 Section 1-70 of the Illinois Administrative Procedure Act, and
24 "agency" and "agency head" are given the meanings contained in
25 Sections 1-20 and 1-25 of the Illinois Administrative Procedure

1 Act to the extent that such definitions apply to agencies or
2 agency heads under the jurisdiction of the Governor.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.